

# The G-20 Summit in Hamburg, Germany: Key Debates and Outcomes

July 13, 2017

Germany hosted the annual Group of 20 (G-20) summit on July 7-8 in Hamburg. The G-20 is a forum for advancing international economic cooperation and coordination among 20 major economies, including the United States, that together account for about 85% of global economic output. In recent years, the G-20 has also increasingly become a forum for discussing pressing foreign policy issues. The agenda for the 2017 summit included a broad mix of economic and foreign policy issues: international trade, global economic growth, the global financial system, climate policy, development, health, women's economic empowerment, refugee flows, and counter-terrorism.

Traditionally, the United States has played a strong leadership role at the G-20: the United States was instrumental in convening the G-20 leaders for the first time in 2008 and elevating the G-20 as the premier forum for international economic cooperation in 2009. The role of the United States in the 2017 summit was notably different, with the United States finding itself isolated on key issues, leading some skeptics to refer to this summit as the "G19+1."

### Divisions between the United States and Other G-20 Countries

Since the G-20 leaders started meeting in 2008, the G-20 leaders have met 12 times, 10 of which were attended by then-President Barack Obama. The 2017 summit was the first attended by President Donald Trump. In the lead-up to the summit, speculation focused on potential discord between President Trump and other G-20 leaders. President Trump, who campaigned on an "America First" platform and has signaled a reorientation of U.S. foreign policy, has clashed with other G-20 countries over key policy issues, particularly trade and climate change. In January, President Trump withdrew from the Trans-Pacific Partnership (TPP), a free trade agreement between the United States and 11 Asia-Pacific countries. In June, he announced his intent to withdraw the United States from the Paris Agreement, an international agreement outlining goals and a structure for international cooperation to address climate change and its impacts over decades to come, a decision rebuked by France, Italy, and Germany in an unusual joint statement.

Commitments to combat climate change and support free trade are traditionally core outcomes of G-20 summits. Given changes in U.S. policy under the Trump Administration, analysts speculated for the first time whether leaders would be able to reach consensus on a communiqué, the formal document released by leaders at the end of the summit outlining major commitments. Negotiations among the countries were reportedly heated. Some analysts argue that the United States was more isolated at this G-20 summit than any other. Consensus on the language in the communiqué was reportedly reached only in the final hours of the summit.

## **Key Negotiations and Agreements**

Although agreed unanimously, the communiqué reflects the split between the United States and other G-20 countries, most notably on climate change. The declaration notes the U.S. decision to withdraw from the Paris Agreement and the United States' commitment to an approach that "lowers emissions while supporting economic growth and improving energy security needs." In contrast, leaders of the other G-20 members state that the Paris Agreement is "irreversible." It is unusual for a stark division among G-20 members to be reflected in a G-20 communiqué. Reportedly, the United States undertook efforts to persuade some countries, including Australia, Poland, Saudi Arabia, and Turkey, to move to the U.S. position on climate change, but such efforts were unsuccessful.

On trade, discussions reflected key divisions between the United States and other G-20 countries, particularly in Europe. Reportedly during the 2017 negotiations, several European leaders, including UK Prime Minister Theresa May and French President Emmanuel Macron, offered forceful defenses of free trade. Merkel noted that the trade discussions were "extraordinarily difficult... due to the specific positions that the United States has taken." Ultimately, the communiqué reaffirms a commitment to keep markets open, which Merkel considered a win. The commitment went further than in March, when the G-20 finance ministers dropped their typical pledge to keep global trade free and open at the insistence of the Trump Administration.

However, the communiqué also notes "the importance of reciprocal and mutually advantageous trade and investment frameworks" and a commitment to combat "all unfair trade practices and recognize the role of legitimate trade defense instruments in this regard." This language reflects trade priorities articulated by the Trump Administration, which has emphasized a need for both "reciprocal" trade relationships and countering "unfair" trade practices and deals. In comparison, in 2016, leaders committed unequivocally to oppose protectionism in "all forms," and committed to a "standstill and rollback" of protectionist measures until the end of 2018, pledges dropped from the 2017 communiqué. Some analysts view the 2017 communiqué as a "further rejection of free trade."

Not all issues discussed at the G-20 meeting were as contentious, and several other agreements were reached. These include, among others, calling on the Global Forum on Steel Excess Capacity, created at the 2016 G-20 summit, to rapidly develop concrete policy solutions to reduce steel excess capacity; welcoming the launch of the Women Entrepreneurs Financing Initiative (We-Fi), a new World Bank Trust Fund, to which the United States has pledged \$50 million amidst broader foreign aid cuts; and launching a G-20 Africa Partnership to foster growth and development. The communiqué also reiterated pledges from previous summits, such as enhancing cooperation on the refugee crisis and bolstering the resiliency of the global financial system, with varying levels of consequence and specificity.

Per standard practice at G-20 summits, President Trump also held a number of "sideline" meetings with foreign leaders to discuss pressing foreign policy issues, such as cybersecurity and North Korea. This included his first meeting with Russian President Vladimir Putin, as well as the leaders from China, Indonesia, Japan, Germany, Mexico, Singapore, South Korea, and the UK.

## U.S. Leadership in the World

The G-20 meeting and outcomes are contributing to ongoing debate about the U.S. leadership in the world under the Trump Administration. Some commentators are concerned that the United States was isolated at the G-20, reflecting a growing trend of abdication of U.S. leadership and abandonment of U.S. allies. Others are more optimistic, arguing that differences between the United States and other countries were overblown and that President Trump is pursuing foreign policies consistent with his campaign pledges.

The summit also raises questions about the G-20's usefulness. Some argue it is a vital forum for a diverse set of countries to discuss their differences. Others wonder whether the G-20, which initially brought

together leaders to coordinate the response to the global financial crisis of 2008-2009, has become less consequential.

### **Related CRS Products**

- CRS Report R40977, The G-20 and International Economic Cooperation: Background and Implications for Congress, by Rebecca M. Nelson.
- CRS In Focus IF10668, Potential Implications of U.S. Withdrawal from the Paris Agreement on Climate Change, by Jane A. Leggett.
- CRS In Focus IF10000, *TPP: Overview and Current Status*, by Brock R. Williams and Ian F. Fergusson.

## **Author Information**

Rebecca M. Nelson Specialist in International Trade and Finance

## Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.